GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:195
ANSWERED ON:13.08.2007
INVESTMENT BY EPF
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) the procedure to invest the funds received in Employees Provident Fund (EPF);

(b) the break-up of various investments made out of these funds during each of the last three years;

(c) whether investment of these funds is not yielding returns;

(d) if so, the details of profit earned and losses suffered each of last three years;

(e) whether the Employees Provident Fund Organisation had appointed a consultant to suggest investment options;

(f) if so, the details of recommendations made by the consultant;

(g) whether the Government is considering the exposure of EPF in equities; and

(h) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF LABOUR AND EMPLOYMENT (SHRI OSCAR FERNANDES)

(a): All monies belonging to Employees' Provident Fund are invested in accordance with pattern of investment notified by the Government of India under para 52 of the Employees' Provident Fund Scheme, 1952.

(b): The category-wise investment holding in EPF account during the last three years is given at Annexure 'A'.

(c) & (d): The investment of the Fund is yielding returns. The yield is related to risk & return factor and market forces. As the investments of the Fund are not traded, there is no question of profit or loss.

(e): Yes, Sir.

(f): The major recommendations of the consultant, namely M/s. Mercer Human Resource Consulting on investment options are given at Annexure 'B'.

(g): The Central Board of Trustees, Employees' Provident Fund in its 178th meeting has decided not to invest in equities.

(h): Does not arise in view of (g) above.